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LB 633

Revision: 02

Revised on 1/26/12 based upon amendments adopted through 1/25/12.

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

The bill changes provisions relating to the issuance of bonds by school districts and also changes the certification date for FY2012-13 state aid pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Issuance of Refunding Bonds for Projects: LB 633 allows school districts which have issued bonds for projects addressing: environmental hazards, accessibility barriers, life safety, indoor air quality, or mold abatement; qualified capital purposes; or, American Recovery and Reinvestment Act of 2009 purposes, to issue refunding bonds to call and redeem all or any part of the outstanding bonds at or before the maturity or redemption date of such bonds.

The bill does not change the cap on the tax levy that is authorized for these types of bonded projects. It is assumed the issuance of refunding bonds by school districts will result in decreased expenditures for capital projects in the districts which opt to issue the bonds. No fiscal impact can be determined because decisions of school districts relative to the issuance of refunding bonds are unknown.

Exceeding Levy Cap for Certain Bond Projects: LB 633, as amended, includes the provisions of LB 634, which also pertain to bonds issued by school districts for projects addressing: environmental hazards, accessibility barriers, life safety, indoor air quality, or mold abatement; qualified capital purposes; or, American Recovery and Reinvestment Act of 2009 purposes.

The provisions allow a district to exceed the current maximum levy of 5.2 cents in any year in which the district's valuation is lower than the year in which the district last issued bonds for these purposes and when the maximum levy is insufficient to meet the principal and interest obligations for all of the bonds issued. The amount generated from the levy in excess of the current maximum cannot exceed the principal and interest obligations for the bonds minus the amount derived from the levy maximum less federal payments or subsidies associated with such bonds.

The bill will have a fiscal impact for a school district which opts to exceed the maximum levy in order to fund bond obligations. It is assumed the number of school districts increasing property tax levies pursuant to the bill will be small due to the requirements of the bill.

State Aid Certification Date Change: The bill, as amended, changes the certification date for FY2012-13 TEEOSA state aid to schools from on or before March 1, 2012 to on or before May 1, 2012. The change in date for the aid certification does not have a fiscal impact pursuant to the bill because the formula is not changed by the bill.